



PSC NEWS

Missouri Public Service Commission

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PSC ORDERS EARLY REDUCTION IN NATURAL GAS RATES FOR ATMOS ENERGY—PALMYRA DISTRICT CUSTOMERS

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Palmyra District customers of Atmos Energy Corporation will see natural gas costs drop by approximately 30% under a filing which will take effect on January 20, 2006. Atmos' filing originally contemplated a February 1, 2006 effective date.

"Atmos customers in northeast Missouri will experience a reduction in gas rates for the remainder of the winter," said PSC Commissioner Robert Clayton. "The Commission promptly authorized this decrease so that ratepayers will receive immediate relief. Although rates are on the decline, consumers should be mindful that natural gas costs still remain at an all time high with several cold winter months ahead," Clayton said.

A residential customer currently pays approximately \$1.16 per Ccf (per 100 cubic feet of gas). Under this filing, the rate will drop to approximately \$0.90 per Ccf, a decrease of approximately \$0.26 per Ccf.

Approximately 70% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Atmos Energy Corporation serves approximately 1,380 Palmyra District natural gas customers in Palmyra, Missouri and the surrounding areas of Marion County.